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How advisors can avoid their 'biggest blind spot'
By Rob Burgess
January 23, 2026, 3:22 p.m. EST

Forest Dutton knows firsthand what can happen when an advisory firm lacks a finalized succession plan.

Today he owns Brightworks Financial Planning in Lexington, South Carolina, but Dutton wasn't always at the helm. The firm was founded in 2014 by David Poole, who served as the sole advisor for nearly a decade. That changed in mid-2023 when Dutton joined the practice, brought in specifically to be Poole's successor.

Over the following year, they engaged a law firm, arranged for a valuation and updated the operating agreement.

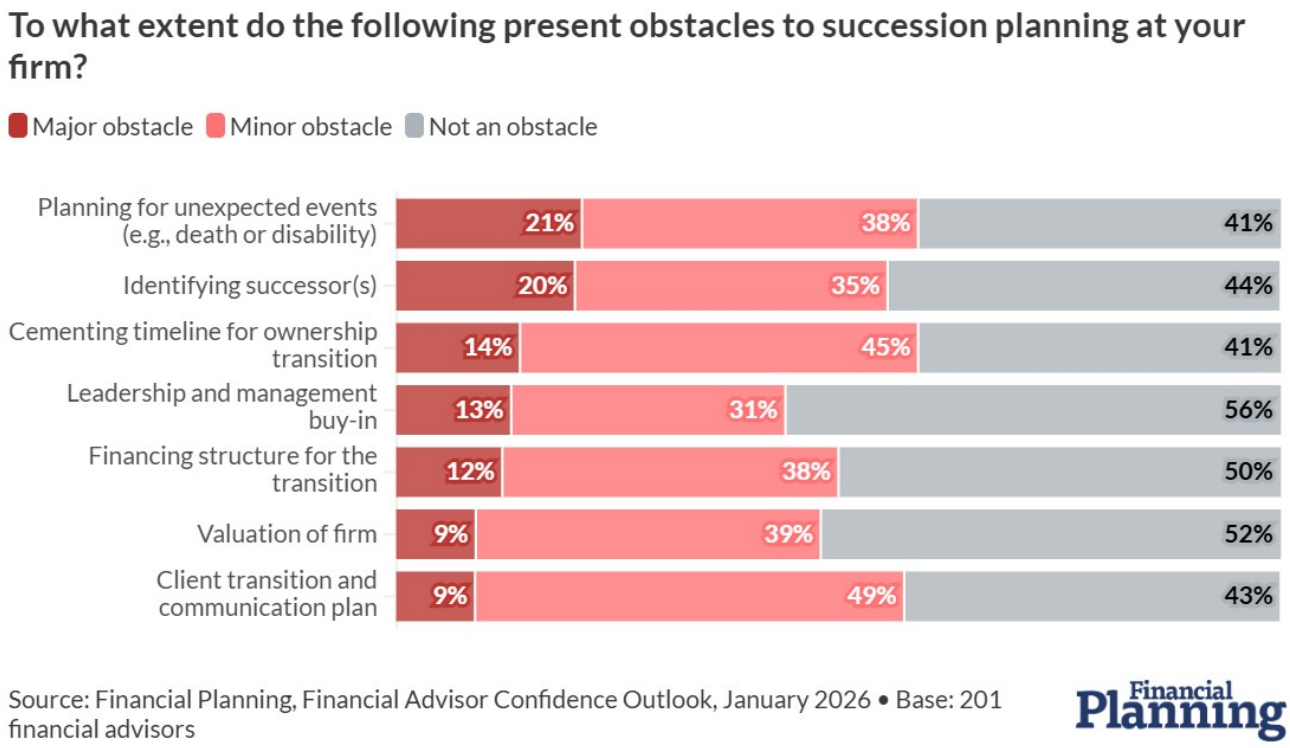
"That's as far as we had gotten," Dutton said. "We didn't have anything formal."

They had discussed formally starting the succession planning process in 2025, Dutton said, but it never happened. Poole died unexpectedly in June 2024.

"Just completely out of the blue," said Dutton. "That next Monday, I was sitting in a room with his wife and his kids going, 'Is there a future to this business?'"

Cases like Dutton's highlight the importance of a formalized transition plan, but research shows many advisors encounter significant barriers.

The top two obstacles to succession planning cited in Financial Planning's January 2026 Financial Advisor Confidence Outlook (FACO) survey were nailing down a transition timeline and planning for unexpected events like death or disability, with 59% of respondents identifying the issues as either a major or minor roadblock. Close behind (58%) was figuring out a client transition and communication plan.



It's not uncommon for a firm to lack a succession plan. The November 2025 FACO survey found that less than one-third of firms have formal, documented succession plans in place. Another 25% have informal plans that lack detail.

What's in a name?
Sometimes just the words "succession planning" are enough to scare advisors off from even starting.

Brad Bueermann, CEO and principal of M&A consulting firm FP Transitions, said it's a common problem: For owners, both founders and second-generation, talking about succession signals the end.

"It means them leaving and somebody else taking over," he said. "That's a topic that nobody likes to tackle. … It's an easy one to procrastinate."

Simply changing the language from "succession planning" to "continuity planning for emergencies" can open things up, Bueermann said, signaling a concrete need that must be addressed.

"What happens if the owner of this firm gets hit by a bus tomorrow?" he said. "What happens to the clients, the employees and the value of that firm?"

While it can still be a challenge to get financial advisors to put emergency plans into place, Bueermann said reframing puts people at greater ease.

"When you call it a 'succession plan,' people procrastinate, going, 'Wow, that

could be very difficult to put together,'" he said. "A continuity plan is going to say what happens tomorrow, who can be running the firm until such a time as the firm can either be sold or transitioned to the individual who has stepped up into that role. … A poor continuity plan is always better than none at all."

Challenges versus tasks

Reframing also works for Michael Blake, founder of strategic consulting firm High Score Strategies. He said he would break concerns into two categories: tasks — like contingency planning, purchasing insurance and cementing the timeline — and challenges.

Challenges include getting buy-in from leadership and management, creating a client transition and communication plan, and engaging with those who might feel left out in the succession plan. Another challenge is "putting in guardrails to prevent the shirtsleeves to shirtsleeves phenomenon," he said, referring to the tendency of families to lose their wealth by the third generation.

"These require high emotional intelligence and while some generalized principles may be applicable, the specifics will require treatment on a case-by-case basis," he said.

Lessons for other advisors

Dutton said he was fortunate in that his business partner's widow was willing to work through the process amicably.

They settled on a third-party valuation arrived at via a combination of their previous attorney and an estate attorney, and the surviving family was open to him buying the business over time — an arrangement they were confident Poole would have been happy with.

"When somebody is not there, that obviously affects the valuation, but in terms of the structure of it and the deal of it, I was thankful how we were able to work it out," Dutton said.

The experience informed how Dutton approached his own succession plan. Now a solo advisor, he will soon finalize a buy-sell agreement.

"I've just seen how hard it is to not have that," he said. "Even if you're a solo advisor, you need to think about what would actually happen if and when you're gone. Because it's usually a lot messier and a lot more uncertain than you think."

His advice to other advisors? Dive in — now.

"Just go ahead and start doing it and get the details worked out," he said. "This is the biggest blind spot for advisors. If I hadn't gone through this, I probably wouldn't have even thought as strongly about it as I do now."